

Missouri Community Development Block Grant Program

Engineer/Architect Mini Guide



Missouri Department of
Economic Development

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POLICY CHANGES OR UPDATES TABLE

ACTION	VERSION #	CHANGE #	PAGE #	SUMMARY OF ACTION	APPROVAL DATE
	1	0	Entire document	Creation and approval	7/23/2025

I. Overview

Welcome to the world of Community Development Block Grant (CDBG)!

Engineers/Architects play an important role in many CDBG-funded projects at the local level. As a key player in a CDBG-funded project, it is critical that you understand and adhere to a myriad of rules and requirements to ensure each project's success and full compliance. If at any time, the contact at the engineer's/architect's firm were to change, CDBG would need to be notified.

Below is a summary of some of the requirements that apply when CDBG funds are used in a project, including some of the Federal requirements that are triggered. Each is described in summary with information on what the requirement means to a project you may be working on, as well as some information on the typical role that is expected of an engineer/architect.

Community Development Block Grant (CDBG) Basics

CDBG funds are allocated annually to Missouri Department of Economic Development (DED) by the Department of Housing and Urban Development (HUD). CDBG funds are awarded to communities through a competitive application cycle. CDBG funds can be used towards improvements to publicly owned facilities and infrastructure, and clearance of vacant, dilapidated buildings.

The State CDBG program may only award grants to non-entitlement Units of General Local Government (UGLG), which are incorporated villages, cities, and counties. Non-entitlement cities or villages are those with a population of 50,000 or under and non-entitlement counties are those with a population of 200,000 or under. Entitlement communities are not eligible to apply for CDBG funds through the State CDBG program. A non-entitlement UGLG that has begun the process of applying to HUD to become an entitlement is not eligible for CDBG funds through the State CDBG program. Political subdivisions and non-profit entities may be included as a sub-applicant and must gain sponsorship from a village, city, or county.

Emergency & Long-Term Recovery, Industrial Infrastructure, and water/wastewater projects are available on an open cycle application. Communities needing funds for

water/wastewater projects must go through the Missouri Water Wastewater Review Committee to receive an invitation to apply.

CDBG funds can be used to meet cost share requirements on other federal grants, provided the costs are necessary, reasonable, and allowable under the other federal program.

Every CDBG project must meet a National Objective: benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or address urgent community development needs. Overall, seventy percent (70%) of funds allocated to the State from HUD must meet the LMI National Objective.

The majority of CDBG projects have a three-year timeline to be completed. HUD requires the State CDBG program and its partners to spend CDBG funds quickly and efficiently. DED would like to emphasize the importance of timely project performance and how the expenditure rate of CDBG funds contributes to the State's overall performance.

Roles and Responsibilities

Development of a CDBG project requires coordination between several key entities, including the Unit of General Local Government (UGLG) such as a city or county (referred to as Subrecipient when awarded a grant), the grant writer (if applicable), and the engineer/architect. This stage requires close coordination and communication between all involved parties to be successful in securing CDBG funding. The table below provides a typical breakdown of duties among these parties; however, the UGLG may establish variation based on the scope of work with its contractors.

Typical Roles and Responsibilities			
Project Phase	UGLG	Grant Writer/ Administrator	Engineer/ Architect
Application Development (Pre-Award)	- Ensure eligibility - Determine needs - Determine ownership - Ensure general applicant compliance - Ensure application is complete and accurate - Ensure any originally signed document(s) or	- Ensure application is complete and contains all necessary documents - Ensure any revisions or alterations to the application be made in timely manner - Procurement compliance for	- Preparation of PER/PAR in compliance with application guidelines - Ensure costs are reasonable and are within the allowable maximum costs for all aspects of the application

	contracts/ agreements are available for inclusion in application - Procurement compliance for grant writing and administration	pre-selected professional services - Preparation of environmental review (if applicable)	- Assist with environmental review
Active Project (Post-Award)	- Ensure project compliance requirements are being met - Maintain project files for public access - Financial management - Carrying out project activities	- Ensure project compliance requirements are being met - Maintain project files for public access - Preparation of environmental review - Assist UGLG in carrying out project activities	- Assist with environmental review - Update cost summary before going out to bid - Ensure that the project is on schedule and is achieving milestones - Ensure project is completed according to approved scope of work

Jointly Funded Projects

CDBG is considered gap financing, used to fill the difference between the total cost of a project and the sum of other available funding sources. Generally, communities may not use CDBG funds to replace funds from another agency or other sources that are available for a project. Any state or federal program which may be applicable to the proposed project must be considered prior to requesting CDBG funds.

All projects funded in whole or in part with CDBG funds must comply with the federal, state, local, and program requirements that are most stringent of each applicable funding source.

In general, the community's cash match obligation, including any loan money, should be expended proportionally to the amount committed for that line item of the grant agreement in order to ensure that their cash match will be met. At the same time or afterwards, other cash sources of funding can be used. In-kind match can be done concurrently throughout the life of a grant.

CDBG funds should be expended proportionally as much as possible to other sources of funds.

When a community requests a project grant amendment, the cost-sharing ratio must remain the same as the original approved budget.

<https://ded.mo.gov/media/pdf/chapter-4b-budget-policy-v-2.1>

II. Pre-Award

Retainer contracts do not meet CDBG procurement requirements.

PER/PAR Procurement

Engineering/Architectural Services are typically procured using competitive proposals. For a community procuring a Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR), final engineering/architecture design, and/or construction inspection within one RFQ:

1. The stricter of CDBG or local procurement policies must be followed and documented. This includes broad solicitation and MBE/WBE/DBE/Section 3 requirements, as outlined in this chapter.
2. CDBG procurement policies do not need to be followed if the Applicant does not intend to use CDBG funds for the service, but the Applicant must still follow their local procurement policy and state law.
3. Scopes of work for each service must be clearly and separately detailed, and negotiations must be conducted for each scope separately. CDBG does not fund PER/PAR development services.
4. The RFQ scope for final design/engineering and/or construction inspection, as well as the subsequent contract, must include the following contingency clause: Contracts executed for engineering design and construction inspection services shall be contingent upon the award of the grant and commitment of all project funds.
5. It is recommended to procure for a PER/PAR, final engineering/architectural design, and construction inspection within one RFQ, to avoid a potential conflict of interest.

If procuring a PER/PAR separate from other services:

1. The applicant may procure the PER/PAR services following their local procurement policy and state law but need not follow CDBG policy or federal procurement policy.
2. The same firm may be awarded both services separately so long as:
 - i. The final design/engineering and/or construction inspection RFQ was not prepared by the firm, and

- ii. The RFQ includes a disclosure by the subrecipient that the firm developed the project application for submission to DED on behalf of the subrecipient and as a result has familiarity with or knowledge of the project, and
- iii. The RFQ rating criteria is structured so that a firm having prior knowledge of the project will not benefit as a result of that knowledge in the scoring process, and
- iv. Include within the RFQ a form that the respondent signs to either confirm a conflict exists and disclose the nature of the conflict (i.e., they developed the application) or confirm there is no potential or perceived conflict.
- v. If an Applicant intends to use CDBG funds for the service, the engineer/architect must be cleared by CDBG in writing (debar check) before contract execution.

<https://ded.mo.gov/media/pdf/chapter-9-procurement-v-2.2>

PER/PAR Content Requirements

Projects requiring an Environmental Assessment (EA) or Statutory Checklist (CEST level) will likely require a preliminary engineering (PER) and/or architectural report (PAR). Engineering reports are generally required for public infrastructure improvement projects such as water, sewer, storm sewer, utilities, roads, bridges, etc. Architectural reports are required for new construction or rehabilitation of buildings. Occasionally a project will require both types of reports. Following are items commonly included in PERs and PARs but is not an all-inclusive list. Reports must be written to address the specific details of and need for a project. The level of effort needed to prepare the report and the depth of analysis within should be proportional to the size and complexity of the proposed project aligning with proposed cost summary.

Required Preliminary Engineering Report Content

1. Title Page
 - Name of the proposed project
 - Owner of proposed project
 - PER Preparer name, address, phone, and email
 - Date of submittal
 - Project Information Summary
 - Maps, photographs, and sketches that will indicate legal and natural boundaries,

Preliminary Engineering and Preliminary Architectural Reports must contain all content identified in this section. Those that do not will be denied funding.

- major obstacles, elevations, general service area, etc.
2. Description of Existing Conditions and Projected Population of the Proposed Service Area (Proposed Service Area should match what is listed in the application)
 3. Description of Needs to Be Addressed by the Proposed Project
 - Present the need for new construction, expansion, renovation, or upgrade of existing facilities, include health and safety concerns and operation and maintenance concerns
 - Status and Future Needs
 4. Alternatives Considered (**3 Alternatives Minimum**)
 - Describe each alternative (include design parameters used, schematic layout map, land requirements, construction problems, etc.
 - Indicate construction and ongoing operations and maintenance over the estimated useful life for each alternative
 5. Recommended Alternative and Reason for Selection
 6. Total Estimated Project Cost and Anticipated Annual Operation and Maintenance Cost of the Proposed Project
 7. Project Financing
 - Explain how the applicant will administer the project
 - Explain how construction cost and additional operation and maintenance costs, including replacement costs, will be covered

Costs listed in the PER or PAR should match the figures listed in the Cost Summary table in the application exactly.

- Present existing and proposed project budget for the applicant. Include O and M costs, capital improvement costs debt repayment and status of reserve accounts
- Present annual amount needed for long- term assets
- Present annual amount needed for short- term assets for:
 - 1-5 years
 - 5-10 years
 - 10-15 years

8. Environmental Review

- Describe impacts that the proposed project may have on the environment
- Indicate which agencies will be contacted for ER clearance and any anticipated requests from these agencies
- Describe the environment without the proposed project
- All anticipated regulatory permits by agency and timeline for project clearance

9. Clearance

- When does the applicant anticipate receiving funding and why
- Present need for project
- Any additional information and/or recommendation

Architects and Engineers should submit renderings if they are available. Floorplans, elevations, and sections must be drawn and notated with standard architectural forms and notations (e.g. plans must be drawn accurately; the entire building should be drawn; the width of the walls should be shown, doorways and door swings indicated; materials indicated when appropriate, etc).

NOTE: For proposed water/wastewater projects, please refer to the MWWRC Proposal Guidelines for additional required PER content.

Required Preliminary Architectural Report Content

1. Name of the Proposed Project and Primary Applicant or Owner of the Facility
2. PAR Preparer Name, address, phone, and email
3. Date of Submittal
4. Statement summarizing the goals of the project and the design principles governing the project (e.g. principles may be public spaces receive the

highest level of preservation; preserving the primary elevations of the building was important; retaining as many original design elements as possible was important, etc.)

5. Alternates (3 Alternatives Minimum)
6. Photographs of exterior and interior conditions, labeled and keyed to the site map and floor plans. Preliminary photographs can be color or black and white.
7. Maps (Area Map, Site Map, Topographic Map)
8. Proposed Floor plans: Completed scaled floor plans of the proposed structure. Indicate all new construction
9. Demolition Plans: Complete scaled floor plans of the existing structure. Indicate all proposed demolition. Elevation sections (even in sketch form) must be submitted as part of the preliminary architectural plan
10. Elevations: All elevations of the existing building. If any elevation is to be changed, those changes must be noted
11. Sections: Sections should be provided when necessary to understand the project. Call the SHPO to determine if Sections are necessary
12. Specifications: Specifications must be provided; general notes are acceptable in the preliminary stages of a project
13. Total Estimated Project Cost and Anticipated Annual Operation and Maintenance Cost of the Proposed Project.
14. Project Financing
 - Explain how the applicant will administer the project
 - Explain how construction cost and additional operation and maintenance costs, including replacement costs, will be covered
 - Present existing and proposed project budget for the applicant. Include O and M costs, capital improvement costs debt repayment and status of reserve accounts
 - Present annual amount needed for long-term assets
 - Present annual amount needed for short-term assets for:
 - 1-5 years
 - 5-10 years
 - 10-15 years

The architect should include in the plan, a statement or certification that all improvements are consistent with the Americans with Disabilities Act (ADA) and related laws.

NOTE: Preliminary Engineering Reports and Preliminary Architectural Reports must be signed and sealed by a Missouri licensed engineer or architect.

REMEMBER: Double check and ensure PER/PAR matches cost summary before submitting application.

Environmental Review

Under 24 CFR Part 58, CDBG subrecipients (units of local government) are required to conduct an environmental review. Part 58 implements the policies of the National Environmental Policy Act (NEPA) of 1969, other Federal laws and authorities, and HUD-specific environmental requirements.

Once a subrecipient has held its initial public hearing to submit an application for CDBG funds to the State, Part 58 requirements are applicable to the project. All project activity must cease until the environmental review has been completed.

The environmental review must consider the project's impact on the natural and human environment and any potential environmental or health effects the site may have on end users. It also requires evaluating a range of environmental factors, such as site suitability, soil stability, water supply, and waste disposal.

The project description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project. The project description should capture the maximum anticipated scope of the project, not just a single activity that the money is going toward. It should include all contemplated actions that are a composite part of the project. Activities should be aggregated according to the regulations at 58.32, which says that a responsible entity (Subrecipient) must group together and evaluate as a single project all individual activities which are related either on the geographical or functional basis, or both, or are logical parts of a composite of contemplated actions.

The environmental review process must be completed before *any* project funds, whether CDBG, other federal, or even private funds, are committed or spent on choice-limiting actions (e.g. land acquisition, demolition, construction). No bidding or work may occur until either the Authorization to Use Grant Funds is given by DED to the subrecipient, or the Subrecipient is notified that it will not receive CDBG funding.

Along with the Authority to Use Grant Funds, there may be Conditions of Approval (COA), which are measures to reduce potential impacts such as avoiding certain actions, limiting the degree or magnitude of an action and its implementation, and rectifying the impact through repair, rehabilitation, and/or restoration of the affected environment. Conditions of Approval may include procuring permits, limiting construction activities to certain areas, implementing

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specific construction practices, design approval by other agencies, compliance with local ordinances, etc. Conditions of Approval should be added to contract documents and supporting documentation retained for how each condition was met.

Engineers/architects may be requested to provide essential information for the preparation of the application and/or environmental review in collaboration with the subrecipient and grant writer, including:

- Providing the official project description
- Identifying permitting requirements and timelines
- Determining project site wetlands
- Preparing project maps
- Developing Conditions of Approval

Engineers/architects should not authorize any project activity without the approval of the subrecipient/grant writer.

[Chapter 8 - Environmental Review v2.0 | Department of Economic Development \(mo.gov\)](#)

Uniform Relocation and Real Property Acquisition Act of 1970

The Uniform Relocation and Real Property Acquisition Act of 1970 (URA and HUD's implementing regulations at 49 CFR Part 24) ensure that owners of real property to be acquired as part of a HUD-assisted project are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owner, to minimize litigation and relieve congestion in the court, and to promote public confidence in Federally-assisted land acquisition. (The URA also protects tenants residing in property that is part of a Federally funded project). The regulations set forth requirements for negotiating with property owners including notifications, establishing value, and payment of just compensation.

Any acquisition, including obtaining easements, is subject to the URA if Federal financial assistance is a part of any portion of the project, regardless of whether the Federal financial assistance is actually used for acquisition of real property. Specifically, any acquisition which takes place on or after the date of request of a CDBG application (public hearing) to fund an activity on that property is subject to the URA. An acquisition that took place before the date of the public hearing can be subject to the URA if DED determines that the acquisition was intended to support a subsequent CDBG activity.

Once the projected use of HUD assistance is determined, it is critical that the acquisition of property or easements does not occur until the ER process is

completed and DED has issued environmental approval. Property acquisition is a choice-limiting action (§58.71) and acquiring property prior to completion of the environmental review exhibits a bias for a specific site without evidence of an evaluation of that site or of other sites that may be suitable or even more appropriate for the project. This includes all types of easements. Further, it does not afford the public an opportunity to review and comment on the project. A well-prepared environmental review justifies the selection of a site.

The goal of the environmental review process is to improve projects or ensure projects do not adversely affect human health and safety, or the environment. Undertaking property acquisition prior to the environmental review is not in line with the goal of the environmental review process and could in fact jeopardize people and property. Examples of this include the acquisition of contaminated property, property with significant noise issues that are infeasible to attenuate, property located in close proximity to explosives and flammable operations, or property located in the floodplain.

Rather than formally acquiring property prior to completion of the environmental review, it is encouraged that an option agreement to purchase real estate be exercised.

A real estate option agreement is a legal agreement between the potential buyer of real property and the owner of that property. The real estate option agreement gives the potential buyer the exclusive right to buy the property at a specific price within a specific time period. The option agreement does not impose any obligation upon the potential buyer to purchase the property. The option agreement does obligate the seller to sell at the specified price if the potential buyer exercises the option to buy in the manner described in the contract.

Engineers/architects may be asked to do surveys to identify the number, size and locations of easements or properties for tanks, pump stations, etc. Engineers/Architects should not discuss or negotiate the purchase of an easement or other type of property acquisition at any time without consultation with the Subrecipient and grant administrator and following the URA required steps.

[Chapter 14 - Acquisition & Relocation v 2.1.pdf | Department of Economic Development \(mo.gov\)](#)

Citizen Participation

CDBG requires that at least one public hearing be held prior to

application submission. If CDBG funding is awarded, a second public hearing shall be held to address the performance of the funded grant at a minimum of 80% completion. **The initial public hearing cannot be held more than a year prior to application submission.**

Notification of hearings shall be given a minimum of five full days in advance to allow citizens the opportunity to schedule their attendance. The day in which the public hearing notice(s) are advertised and the day of the public hearing do not count towards the minimum 5-day period. Hearings shall be held at a location that is accessible to persons with a disability and shall be scheduled at a time in which the majority of public can schedule attendance.

Notification shall be in the form of display-type advertisements. City/village applicants may choose to:

- Advertise in a local newspaper of widest circulation
- Post advertisement in areas providing the largest access to the public; or
- Both

County applicants are required to advertise in a local newspaper with the widest circulation. They cannot only post the advertisement in areas providing the largest access to public alone.

[Missouri Citizen Participation Plan 2023](#)

[Chapter 3 - Citizen Participation 2.0 | Department of Economic Development \(mo.gov\)](#)

III. Post-Award

Final Design/Engineering

Fee Maximums

The American Society of Civil Engineers Manual No. 41 describes the percentage of construction cost method of compensation. The curves indicated in the ASCE Manual will be used as a guide to the maximum cost allowable. While the State may use this as a method of determining the amount of funds allowed to a city and/or county applicant, the applicant may not use these curves as the only basis for determining the compensation of an engineering firm. DED suggests using either a cost plus a fixed fee, with a maximum amount, or a lump sum, as described in the ASCE manual. DED will pay for engineering design and inspection on the total construction cost not just CDBG funded portions of the project.

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TOTAL CONSTRUCTION COST	% FEE	TOTAL CONSTRUCTION COST	% FEE
\$40,000-\$49,999	14.05	\$2,000,000-\$2,499,999	8.25
\$50,000-\$59,999	13.63	\$2,500,000-\$2,999,999	8.00
\$60,000-\$69,999	13.29	\$3,000,000-\$3,499,999	7.81
\$70,000-\$79,999	13.02	\$3,500,000-\$3,999,999	7.65
\$80,000-\$89,999	12.78	\$4,000,000-\$4,499,999	7.51
\$90,000-\$99,999	12.58	\$4,500,000-\$4,999,999	7.39
\$100,000-\$199,999	12.40	\$5,000,000-\$5,499,999	7.28
\$200,000-\$299,999	11.29	\$5,500,000-\$5,999,999	7.19
\$300,000-\$399,999	10.68	\$6,000,000-\$6,499,999	7.11
\$400,000-\$499,999	10.27	\$6,500,000-\$6,999,999	7.03
\$500,000-\$599,999	9.96	\$7,000,000-\$7,499,999	6.96
\$600,000-\$699,999	9.72	\$7,500,000-\$7,999,999	6.89
\$700,000-\$799,999	9.52	\$8,000,000-\$8,499,999	6.83
\$800,000-\$899,999	9.35	\$8,500,000-\$8,999,999	6.78
\$900,000-\$999,999	9.20	\$9,000,000-\$9,499,999	6.72
\$1,000,000-\$1,499,999	9.07	\$9,500,000-\$9,999,999	6.68
\$1,500,000-\$1,999,999	8.58	\$10,000,000+	6.63

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Professional Service	Maximum Fee
Construction Inspection	75% of CDBG funded engineering design/architectural costs
Architectural Fees	10% of construction costs
Demolition Inspection	\$425 per unit
Environmental Clearance/Cultural Resource Survey	\$5,000 as budget amendment request

NOTE: Engineering design maximums are considered to be inclusive of the collection of field data (including but not limited to surveying geotechnical, hydrological, etc., final design services, bidding or negotiating services, and post-construction services.

Construction Procurement

The use of CDBG funds requires compliance with 2 CFR Part 200 and state/local procurement procedures to ensure maximum open and free competition and to ensure that supplies, services and construction are obtained efficiently and economically. Affirmative steps must be taken to assure that minority and female-owned business have the opportunity to provide supplies, equipment, construction and services. Subrecipients must perform some type of cost or cost analysis for every procurement method, including contract changes, and permit only allowable costs to be included. The cost plus a percentage of cost method of contracting are prohibited.

Engineering/Architectural services are typically procured using Competitive proposals. Competitive sealed bids (formal advertising) must be used for all construction contracts, which requires publicly solicited sealed bids and a firm-fixed-price contract (including unit prices) awarded to the lowest, most responsive and responsible bidder. The process must meet certain minimum conditions including the information provided to bidders, the publication period, bid opening process, bid review and selection process, etc. The scope of work in bid and contract documents must be the same as what was approved by

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CDBG. All bids may be rejected or Subrecipients must provide needed funds from other sources. Recipients cannot sign construction contracts without the prior approval of CDBG staff.

Engineers/Architects will typically prepare the technical bid specifications. The specs should provide a complete and accurate description of the materials, products and services to be provided or performed, all of the required Federal and State CDBG clauses and bonding and insurance requirements. Utilize the [CDBG Contract Content Guide](#) for contract language regarding Federal and state requirements. Engineers/Architects conduct a cost analysis of the construction contract and any change orders to determine cost reasonableness. They also make a recommendation for contract award and approval of change orders. Engineers/Architects must adhere to all requirements pertaining to the bidding, review and selection process and should not approve or give any indication of approval of a bid that has not adhered to the required process and been approved by the Subrecipient and DED.

All CDBG programs require completion times and liquidated damages in all construction contracts.

The **Build America Buy America Act (BABA)** requires any infrastructure project funded with any Federal Financial Assistance to apply a domestic content procurement preference. All iron, steel, manufactured products, and construction materials used in infrastructure projects must be produced in the United States; this is called the Buy American Preference (BAP).

HUD is phasing in the BAP requirements depending on when DED and HUD enter into their grant agreement. The implementation time varies depending on how the articles covered by BABA are categorized - iron and steel, specifically listed construction materials, and not-listed construction materials, and manufactured products.

Federal Grant starts with	Iron and Steel	Specifically listed construction materials	Construction materials not listed	Manufactured products
B-23	BAP applies	BAP does not apply	BAP does not apply	BAP does not apply
B-24	BAP applies	BAP applies	BAP does not apply	BAP does not apply

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B-25 and later	BAP applies	BAP applies	BAP applies	BAP applies
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See [2 CFR 184.3](#) for the definitions and listed construction materials.

For more guidance on BABA from HUD, including FAQs, see [Build America, Buy America Act - HUD Exchange](#) and [Build America, Buy America \(BABA\) | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

The Federal and State prevailing wage rates must be requested from DED, 10 days before the bid advertisement date using the [Request for Federal Wage Determination](#) form. The Federal prevailing wage determination and the State Wage Order must be inserted into the bid packet. Request verification of the Federal and State wage determination from DED, 10 days before the bid opening date. An addendum to update the wage determinations must be distributed at least 72 hours before the bid opening.

Bid documents should be reviewed and approved by the Subrecipient and submitted and approved by CDBG before going out to bid. A final cost estimate should be prepared and submitted to CDBG before going out to bid. It is highly encouraged an attorney review any contract before executing.

Publish Request for Bids in a newspaper of general circulation once a week for two consecutive weeks (14 days) prior to bid opening. Minority and women-owned firms, and Section 3/DBE firms must be directly solicited. A longer advertising period may be necessary for more complex projects to allow bidders more time to prepare their proposals. Retain a newspaper copy and affidavit of each advertisement. Maintain a log of bidders who were sent or obtained bid documents. All bids received during the bidding period should be logged with the name of the bidder and the time and date of receipt. No bid may be accepted if it is late.

Hold a public meeting to open bids. All bids must be read aloud during this meeting. Minutes of the meeting must be maintained to document the project, the time and date of bid opening, and the bidders and bid amounts in order of opening.

At the bid opening, the bid documents must be properly completed and signed. The contract should be awarded within 90 days of the bid opening date. If the contract is not awarded within this timeframe, the project wage decisions must be updated at the time of contract award, unless an extension is requested through CDBG to USDOL.

Review all bids to determine if they are legally and technically responsive. Bidders must be evaluated as to their ability to perform as previously defined. The contract must be awarded to the **lowest, most responsible and responsive bidder**. If all the bids exceed the budgeted amount, reevaluate the specifications to determine whether one aspect of the project was inaccurately described. In this situation, it may be necessary to reject all bids.

Cost plus a percentage of cost and percentage of construction cost method of contracting are prohibited. **All contract fees shall be based upon a unit price or "cost-plus-fixed-fee."** All contracts must include a total dollar amount.

Negotiation with bidders prior to bid opening is prohibited. **Negotiation with bidders when bids exceed available funding:** If the bid from the lowest responsible and fully responsive bidder exceeds available funds, the Subrecipient may negotiate the quantities of unit price bid items to be installed with such bidder to obtain a contract price within available funds. "Available funds" are those budgeted by the Subrecipient for the requirement and designated as such prior to the issuance of the Advertisement for Bid. Negotiation on the part of the bidder is strictly voluntary. To ensure fair and open competition among bidders, the State of Missouri CDBG program views negotiation to be defined as reducing contract units at the bid unit prices and **should not exceed 25% of the total contract bid amount**. It should be confirmed that any reduction of contract units would not result in a change of the low bidder. If the negotiations to reduce the quantities of unit price items should result in a change of the low bidder, then all bids should be rejected, and the project design should be modified to reduce costs, and the project should be re-bid.

The Subrecipient can either reject all bids or provide needed funds from other sources. Prior to the bid process, the Subrecipient can take action to help mitigate problems that arise from bids that exceed allowable funds. If the Subrecipient has reason to believe that available funds will be inadequate for the full scope of proposed work, it can request deductible or add-on alternatives in the bid process. When deductible or add-on alternatives are requested, the bid document must specify the method and order in which alternatives will be applied in determining the low bid. Whenever estimated costs are very close to the amount of available funds or the cost estimates are based on roughly comparable projects, the deductible alternative approach is very useful. It can eliminate the need to respecify the bid package and repeat the entire bid process with unavoidable delays in the project. Do not use deductible alternatives that reduce the original scope of the project that was funded.

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Once all bids have been received, **references should be checked**. The only way for a community to secure good information about how a person or firm performed similar duties is to call the other cities and counties and ask their opinions.

Prior to awarding the contract, the Subrecipient must obtain verification of contractor eligibility from CDBG. Recipients must provide the Request for Contractor/Subcontractor Eligibility form to confirm eligibility from CDBG. This process is referred to as a debar check. CDBG will check for any active exclusions on SAM.gov. In addition, CDBG will verify that the contractor is registered with the Missouri Secretary of State, not debarred by the Missouri Office of Administration, and has a valid certificate to do business in the State of Missouri. You must also check with CDBG to ensure that the bonding company that the contractor is using to provide the payment and performance bonds is on the Department of the Treasury's Listing of Approved Sureties. It is vital that you furnish the correct spelling and the exact name of the firm(s) for all of the above.

If the contract is not awarded within 90 days from bid opening and the Subrecipient foresees that the award will not happen within that time period, the Federal Wage Determination will need to be updated to the most current modification published, or a request for extension must be made (see Labor Standards Chapter Section 11.3.1 for more information on how to request).

Award the contract. The contract must be awarded to the lowest, most responsible and responsive bidder. If the contract is awarded to other than the lowest bidder, a written statement documenting valid reasons why the lowest bidder(s) was not selected must be prepared and submitted to CDBG for approval prior to contract award. Ensure that all compliance provisions and environmental clearances have been met before awarding the contract.

Construction should start within 90 days after the contract award. Start of construction can include mobilization, when mobilization can be proven. Send a Start of Construction Notice to CDBG within ten (10) days of the contract award. This notice is included in the Labor Standards Chapter. Email form "Prevailing Wage Project Notification-Contractor Information Notification (PW-2 Form)" to the Missouri Department of Labor – Division of Labor Standards using the email address at the bottom of the form. CDBG must be copied in the email as proof of submission.

A pre-construction conference must be held to acquaint the contractor with Federal and Missouri requirements such as the Labor Standards Provisions, Equal Employment Opportunity Requirements, and Section 3. Requirements for weekly wage records and employee interviews should be specifically addressed at this

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conference. It is also appropriate to brief the contractor on how payments will be processed, what forms are to be used, and how the CDBG office will monitor financial, program, and contract compliance. A pre-construction conference report should be prepared to document the subject(s) discussed at the meeting and placed in the Contract Management file.

All subcontractors must be cleared by CDBG in writing before setting foot on the job site. To request CDBG clearance, submit an Eligibility Request Form, subcontractor E-Verify, and subcontractor EEO certification form.

Send a Notice to Proceed to the contractor. This document officially notifies the contractor that construction may begin.

[Chapter 9 - Procurement_v2.2 | Department of Economic Development \(mo.gov\)](#)

[Contract Content Guide | Department of Economic Development \(mo.gov\)](#)

[Chapter 11 - Labor Standards_v2.3 | Department of Economic Development \(mo.gov\)](#)

[Chapter 12 - Civil Rights and Section 3_v2.1 | Department of Economic Development \(mo.gov\)](#)

Construction Management

The key to a successful project is to maintain constant contact with the community and their Grant Administrator. Keeping all parties in the loop during all project phases, from planning to setup to implementation to monitoring and closeout and addressing issues as they arise will enable the project to progress effectively. DED recommends obtaining a schedule from the contractor showing when each phase of work will be conducted and when each subcontractor will be on the job site.

Change orders will be managed at the Subrecipient level and reviewed by DED. The contractor will submit a change order along with cost reasonableness justification and all supporting documentation to the Engineer and the Subrecipient. The Subrecipient will review the change order for any changes in scope that may result in new or additional impact on the environmental review not covered in the original finding. To approve and proceed with a change order, there must be an acknowledgement that it will not affect the environmental review. The Engineer and Subrecipient will approve the change order in writing and submit to DED for review.

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Any changes to the approved project scope or request for additional funds must be done through a grant amendment request, as well as an amendment to the environmental review (if applicable) by the Subrecipient and will need approval by DED prior to the work being done. Contract change orders should reflect the same changes.

Closeout

A copy of the Certificate for Acceptance and Final Payment must be obtained from the project engineer to ensure completion of the project. This certificate must cover 100% of the work included in the project regardless of funding source, including Subrecipient cash and in-kind. The certificate must state that work has been completed in accordance with drawings and specifications and is functioning properly with the recommendation for final payment. Ten percent of the construction inspection funds will be withheld until a Certificate for Acceptance and Final Payment has been issued.

If Environmental Review Conditions of Approval (COA) were required, the engineer/architect must sign off on each condition listed on the COA form and provide supporting documentation of conditions met.

The Prime Contractor must send a signed and notarized Affidavit of Compliance (PW-4) form to the subrecipient by the last payment, as per RSMo § 290.290. A copy should be sent to the Missouri Department of Labor - Division of Labor Standards.

The Subrecipient will hold a closeout public hearing when the project is at least 80% complete. The review of performance during the grant must be addressed in a public hearing prior to grant closeout.

[Chapter 13 - Closeout v2.0 | Department of Economic Development \(mo.gov\)](#)